



State of California—Health and Human Services Agency  
**Department of Health Services**



**GRAY DAVIS**  
Governor

CHIP Letter: 02-I  
RHS Letter: 02-I  
Date Issued: October 16, 2002

**TO: CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM (CHIP)/RURAL  
HEALTH SERVICES (RHS) PROGRAM CONTACT**

**SUBJECT: FISCAL YEAR (FY) 2001-02 TRUST FUND GUIDELINES**

Enclosed are the CHIP and RHS Program Trust/Special Revenue Fund Balance Report guidelines for FY 2001-02. Included is a complete set of forms and instructions for the Preliminary and Final Annual Trust Fund Report. This information is also available on the Office of County Health Services' web site at:

[http://www.dhs.ca.gov/hisp/ochs/chsu/CHIPRHS\\_County\\_Letters.htm](http://www.dhs.ca.gov/hisp/ochs/chsu/CHIPRHS_County_Letters.htm)

For FY 2001-02, each county is required to submit a Preliminary and Final Annual Report. The reports combine fiscal data and patient service cost/utilization data by subaccount. Please note that both reports now include separate Financial Statements and Expenditure and Utilization Reports for the formula and discretionary allocation of the Noncounty Hospital Subaccount.

The Preliminary Annual Report includes disbursements for all patient services provided during the fiscal year, from July 1, 2001, through June 30, 2002, and is due on November 15, 2002. Similarly, the Final Annual includes disbursements for all patient services provided during the fiscal year, but is due on April 15, 2003.



Do your part to help California save energy. To learn more about saving energy, visit the following web site:  
[www.consumerenergycenter.org/flex/index.html](http://www.consumerenergycenter.org/flex/index.html)

---

1800 Third Street, Room 100, P.O. Box 942732, Sacramento, CA 94234-7320  
(916) 322-1086

Internet Address: [www.dhs.ca.gov](http://www.dhs.ca.gov)

CHIP/RHS Contact  
Page 2  
October 16, 2002

The cutoff date for all county transactions included in the Final Annual report is March 15, 2003. In summary, the reports and their time frames are as follows:

<u>REPORT TYPE</u>	<u>REPORTING PERIOD</u>	<u>DUE DATE</u>	<u>CUTOFF DATE</u>
Preliminary Annual	07/01/01 - 06/30/02	11/15/02	10/15/02
Final Annual	07/01/01 - 06/30/02	04/15/03	03/15/03

If you have any questions concerning the Trust/Special Revenue Fund Balance Report, please contact your County Health Services Analyst at (916) 322-1086.

Sincerely,

**ORIGINAL SIGNED BY NANCY HAYWARD**

Nancy Hayward, Chief  
Medically Indigent Services Section

Enclosures

cc: See Next Page.

CHIP/RHS Contact

Page 3

October 16, 2002

cc: George B. (Peter) Abbott, M.D., M.P.H., Chief  
Office of County Health Services  
Department of Health Services  
1800 Third Street, Room 100  
P.O. Box 942732  
Sacramento, CA 94234-7320

Ms. Fran Burton  
Interim Deputy Director  
Legislative and Governmental Affairs  
714 P Street, Room 1350  
Sacramento, CA 95814

Mr. Michael Dimmit  
Budget Consultant  
Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 95814

Ms. Eileen Eastman  
Executive Secretary  
California Conference of Local  
Health Officers  
Department of Health Services  
714 P Street, Room 1292  
Sacramento, CA 95814

Ms. Lisa Folberg  
Fiscal and Policy Analyst  
Legislative Analyst's Office  
925 L Street, Suite 1000  
Sacramento, CA 95814

Mr. Gregory A. Franklin, M.H.A  
Deputy Director  
Health Information and  
Strategic Planning Division  
Department of Health Services  
1800 Third Street, Room 100  
P.O. Box 942732  
Sacramento, CA 94234-7320

Mr. Fred Harder  
Chief Operatin Officer  
Research and Health Policy  
California Healthcare Association  
1215 K Street, suite 800  
Sacramento, CA 95814

Mr. Santiago Munoz, Director  
Finance Policy  
California Association of Public  
Hospitals and Health Systems  
2000 Center Street, Suite 308  
Berkeley, CA 94704

Mr. Dwight V. Nelsen  
Senior Staff Counsel  
Office of Legal Services  
Department of Health Services  
714 P Street, Room 1216  
Sacramento, CA 95814

Ms. Caitlin O'Halloran  
Legislative Representative  
Health and Human Services  
California State Association  
of Counties  
1100 K Street, Suite 101  
Sacramento, CA 95814

Mr. Joe Perez, Chief  
Budget Section  
Department of Health Services  
714 P Street, Room 1040  
Sacramento, CA 95814

Mr. Bruce Pomer  
Executive Director  
Health Officers Association  
of California  
1100 11th Street, Suite 321  
Sacramento, CA 95814

CHIP/RHS Contact  
Page 4  
October 16, 2002

cc: Ms. Judith Reigel  
Executive Officer  
County Health Executives  
Association of California  
1127 11th Street, Suite 309  
Sacramento, CA 95814

Ms. Mickey Richie  
Intergovernmental Liaison  
Office of the Director  
Department of Health Services  
714 P Street, Room 1253  
Sacramento, CA 95814

Ms. Kristin Shelton  
Principal Program Budget Analyst  
Health and Human Services Unit  
Department of Finance  
925 L Street, Ninth Floor  
Sacramento, CA 95814

Ms. Diane Van Maren  
Senior Consultant  
Senate Budget and Fiscal  
Review Committee  
State Capitol, Room 5019  
Sacramento, CA 95814

Auditor-Controller Contacts

Board of Supervisors Contacts

Health Officer Contacts

INSTRUCTIONS FOR COMPLETING THE

**PRELIMINARY ANNUAL**

TRUST/SPECIAL REVENUE FUND BALANCE REPORT

FISCAL YEAR 2001-02

The purpose of the Preliminary Annual Report is to provide a status report to the State of how counties expend their California Healthcare for Indigents Program (CHIP)/Rural Health Services (RHS) Program funds on the medically indigent population. The information derived from the Preliminary Annual Report will be used to address policy questions related to indigent health care programs posed by legislative staff, state administrative officials, and representatives from provider organizations.

The Report will provide an accounting of income and disbursements by CHIP/RHS Program subaccounts, which includes a general display of expenditures and service utilization data. Since this is a preliminary report, the disbursement data does not have to exhibit a one-to-one correlation to the expenditure data. Thus, the county auditor controller is only required to certify the Report's accuracy and that supporting documentation is available for review.

Please use the following outlined instructions when completing the Preliminary Annual Report:

I. FINANCIAL STATEMENT

A. BEGINNING BALANCE. The amount is the beginning balance of the Trust Fund for Fiscal Year (FY) 2001-02. The beginning balance must be zero.

B. INCOME

1. FUNDS RECEIVED PURSUANT TO SECTIONS 16931 and 16941 OF THE WELFARE AND INSTITUTIONS CODE. Total CHIP/RHS Program payments received for FY 2001-02.
2. INTEREST EARNED FY 2001-02. Interest earned and posted to the Fund for FY 2001-02 with a transaction cutoff date of October 15, 2002.
3. INTEREST CARRIED OVER FROM FY 2000-01. Interest carried over from the FY 2000-01 Trust Fund.
4. TOTAL INCOME. The sum of B1, B2, and B3.

C. DISBURSEMENTS

1. FUNDS DISBURSED FOR SERVICES. Disbursements for services provided from July 1, 2001, through June 30, 2002.

2. FUNDS DISBURSED FOR ADMINISTRATIVE COSTS. County administrative costs attributable to the administration of the CHIP or RHS Program for FY 2001-02.
  3. INTEREST TO BE TRANSFERRED TO FY 2002-03 TRUST FUND. Interest earned by the fund, but not spent during the fiscal year. The amount can only be carried over to the FY 2002-03 account or subaccount and appropriated for expenditure.
  4. FUNDS DISBURSED FOR EQUIPMENT (Applies only to the Other Health Services Account). Funds disbursed for equipment must be consistent with FY 2001-02 CHIP/RHS Program Standard Agreement, which states that no more than five percent (5%) of the county's Other Health Services allocation or fifty-thousand dollars (\$50,000), whichever is greater, may be expended for equipment and fixed assets, and no single expenditure may exceed ten-thousand dollars (\$10,000).
  5. TOTAL DISBURSEMENTS. The sum of C1-C4 (depending on the account).
- D. MONIES RECOVERED BY THE TRUST FUND AND NOT DISBURSED. FY 2001-02 funds which were previously disbursed, recovered by the county, and not expended.
- E. ENDING BALANCE. Add the Beginning Balance to the Total Income, subtract the Total Disbursements, and add the Recovered Monies.
- II. CERTIFICATION. The Preliminary Annual Report requires signature by the county auditor controller certifying the Report's accuracy and that supporting documentation is available for State review. Unlike the Final Annual, the Preliminary Annual Report does not require certification that the dollar amounts reported in the trust fund financial statement have been reconciled with the dollar amounts reported in the expenditure and utilization data submitted with the Report.

**Click on hyperlink below for the Preliminary Annual Trust Fund Forms:**

**[FY 01-02 Preliminary Trust Fund Template](#)**

INSTRUCTIONS FOR COMPLETING THE  
**FINAL ANNUAL**  
TRUST/SPECIAL REVENUE FUND BALANCE REPORT  
FISCAL YEAR 2001-02

The purpose of the Final Annual Report is to provide a final accounting to the State of how counties expend their California Healthcare for Indigents Program (CHIP)/Rural Health Services (RHS) Program funds on the medically indigent population. The information derived from the report will be used to address policy questions related to indigent health care programs posed by legislative staff, state administrative officials, and representatives from provider organizations.

The Final Annual Report provides an accounting of income and disbursements by CHIP/RHS Program subaccounts, which includes a general display of expenditures and service utilization. The disbursement data reported must correspond to the expenditure data. The Report will also identify funds that must be returned to the State. In addition, the county auditor controller must certify not only the accuracy of the Report, but that the dollar amounts reported reconcile with the dollar amounts reported in the expenditure and utilization data submitted with the Report.

Please use the following outlined instructions when completing the Final Annual Report:

I. FINANCIAL STATEMENT

- A. BEGINNING BALANCE. This amount is the beginning balance of the Trust Fund for Fiscal Year (FY) 2001-02. The beginning balance must be zero.
- B. INCOME
  - 1. FUNDS RECEIVED PURSUANT TO SECTIONS 16931 AND 16941 OF THE WELFARE AND INSTITUTIONS CODE. The total CHIP/RHS Program payments received for FY 2001-02.
  - 2. INTEREST EARNED FY 2001-02. Interest earned and posted to the Fund for FY 2001-02 with a transaction cutoff date of March 15, 2003.
  - 3. INTEREST CARRIED OVER FROM FY 2000-01. Interest carried over from the FY 2000-01 Trust Fund.
  - 4. TOTAL INCOME. The sum of B1, B2, and B3.

C. DISBURSEMENTS

1. FUNDS DISBURSED FOR SERVICES. Disbursements for services provided from July 1, 2001, through June 30, 2002.
  2. FUNDS DISBURSED FOR ADMINISTRATIVE COSTS. County administrative costs attributable to the administration of the CHIP or RHS Program for FY 2001-02.
  3. INTEREST TO BE TRANSFERRED TO FY 2002-03 TRUST FUND. Interest earned by the fund, but not spent during the fiscal year. The amount can only be carried over to the FY 2002-03 account or subaccount and appropriated for expenditure.
  4. FUNDS DISBURSED FOR EQUIPMENT (Applies only to the Other Health Services Account). Funds disbursed for equipment must be consistent with the FY 2001-02 CHIP/RHS Program Standard Agreement, which states that no more than five percent (5%) of the county's Other Health Services allocation or fifty-thousand dollars (\$50,000), whichever is greater, may be expended for equipment and fixed assets, and no single expenditure may exceed ten-thousand dollars (\$10,000).
  5. TOTAL DISBURSEMENTS. The sum of C1-C4 (depending on the account).
- D. MONIES RECOVERED BY THE TRUST FUND AND NOT DISBURSED. FY 2001-02 funds previously disbursed, recovered by the county, and not expended.
- E. ENDING BALANCE. Add the Beginning Balance to the Total Income, subtract the Total Disbursements, and add the Recovered Monies.
- F. FUND CLOSED: AMOUNT RETURNED TO STATE. Funds not expended by the county and returned to or recouped by the State. All CHIP/RHS Program monies remaining in the Trust Fund after March 15, 2003, must be disencumbered and returned to the State.



- II. CERTIFICATION. The Final Annual Report requires signature by the county auditor controller certifying the Report's accuracy, that supporting documentation is available for state review, and the dollar amounts reported in the Final Annual Report have been reconciled with the dollar amounts reported in the expenditure and utilization data submitted with the report.

**Click on hyperlink below for the Final Annual Trust Fund Forms:**

**[FY 01-02 Final Trust Fund Template](#)**